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U.S. - CHINA SIGN BILATERAL AGRICULTURE AGREEMENT

United States Trade Representative Charlene Barshefsky welcomed the successful conclusion of the Agreement on U.S.-China Agricultural Cooperation, lifting long-standing prohibitions on the export of U.S. citrus, grain, beef and poultry to China. Together with Chinese Minister for Foreign Trade and Economic Cooperation Shi Guangsheng, Ambassador Barshefsky today signed this unprecedented agreement.

Ambassador Barshefsky stated, "This agreement removes unfair trade barriers to U.S. wheat, meat, citrus and poultry and signifies a new era in our bilateral agricultural relationship, one that is based on sound science and the mutual benefits of open markets. U.S. farmers, ranchers, and consumers will benefit substantially from this agreement."

Secretary Glickman stated, "This agreement is a fundamental breakthrough for American agriculture. Over the years we estimate that Chinese trade restrictions have cost America's competitive producers billions of dollars in sales. China's agreement to lift these longstanding and contentious barriers to our grain, citrus, and meat could have significant benefits in terms of greatly expanded exports of these products to the vast market."

With this agreement, the United States and China will launch an agricultural partnership for the 21st century. The Agreement highlights our core objectives: resolving trade barriers, increasing technical cooperation and scientific exchanges, and further developing our agricultural sectors. The agreement is expected to dramatically increase U.S. exports to China as well as to increase the cooperation between the U.S. and China in biotechnology, aquaculture, and other technical areas of assistance.

Background:

The Agreement includes lifting the ban on the export of citrus from Arizona, California, Florida and Texas, allowing the U.S. to develop legitimate commercial channels for U.S. citrus exports to China, which will reduce risk and permit exporters to market their product legally. Removal of the phytosanitary restrictions will translate into a direct increase in exports of U.S. citrus.

China's ban on citrus has been a longstanding irritant in our bilateral relationship. This agreement will allow us to export U.S. citrus based on U.S. national standards. The export program will be phased in over an interim period of two years, in terms of which counties in Florida and California can participate. During this period, the approved counties will be able to ship citrus that is produced in areas that are free of fruit flies and from areas outside of a 20 kilometer zone around fruit fly outbreaks. After two years, fruit from all counties can be shipped based on the U.S. National Program Guidelines.

China has agreed to recognize the U.S. certification system for meat and poultry, a move that will allow U.S. products immediate access to all segments of the Chinese market. Previously, meat and poultry could only be imported by two entities for use in some hotels and restaurants. As with citrus, this agreement will allow exporters to develop legal, commercial relationships for U.S. meat and poultry.

China has banned imports of U.S. wheat and other grains from the Pacific Northwest for over 26 years for scientifically unjustified reasons. In signing this agreement, China has acknowledged that TCK smut does not pose a risk to China's domestic wheat production, and will allow the import of U.S. wheat and other grain that is at or below a specific tolerance for TCK (30,000 spores per 50 grams).